Company Registration No. 06246263 (England and Wales)

Shortlist Media Limited

Annual report and financial statements

for the year ended 31 March 2017

Shortlist Media Limited

Company information

Directors	T J Ewington	
	A R F Hall	
	P G Hilton	
	M J Soutar	
	E A N Watson	
	E Dolphin	(Appointed 30 September 2016)
	S Robinson	(Appointed 1 February 2017)
	O Wyatt	(Appointed 13 March 2017)
Secretary	I Douglas	
Company number	06246263	
Registered office	Jubilee House 92 Lincoln Road Peterborough PE1 2SN	
Auditor	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB	
Bankers	Barclays Bank plc 1 Church Street Peterborough PE1 1XE	

Shortlist Media Limited

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Shortlist Media Limited

Strategic report

for the year ended 31 March 2017

The directors present the strategic report for the year ended 31 March 2017.

Fair review of the business

Shortlist Media's turnover for the year to 31 March 2017 was £22.6m, a decline of 8% on the £24.6m achieved in the previous year. The company generated a pre-tax loss of £4.7m. The balance sheet position at 31 March 2017 shows net assets of £5m.

Shortlist Media continues its long-term strategy to transform itself from a print-focused business into a multi-platform company for affluent, urban millennial consumers, rapidly growing its revenues from digital, live events and international business as structural change negatively affects print media. Substantial investments have been made to increase social scale, high quality original video content and the reach of the company's websites and emails. This investment will continue over the next 12 months.

As expected, revenues have declined but less so than the industry average. The revenue mix has changed as the advertising market moves investment away from display formats into larger, more complex content solutions. A dedicated unit, Shortlist Media Family, has been formed which oversees the development, sale and production of these large commercial partnerships. Although the growth of content solutions revenue has not been sufficiently rapid to offset declines in traditional media revenues, the company is confident it has the skills and the market position to grow these revenues significantly.

The company created a larger number of live events than ever before – 25 across all brands - and it held the second year of its large-scale consumer event, Stylist Live, across four days in October 2016 at the Islington Business Design Centre. Revenues from ticketing stand sales and sponsorship all increased substantially year on year. The third year of the event will be held in the far larger Olympia Grand Hall.

The Board continues to see opportunities to develop and grow our brands, audience reach and revenues in future despite the continuing challenges of structural change.

Principal risks and uncertainties

The two principal risks facing the business are that:

- Wider macroeconomic events could trigger an economic downturn which would affect advertising volumes and yields.
- The pace of structural change away from traditional media towards digital could speed up, moving more quickly than the changes we are able to achieve within the Shortlist Media business.

The company works very closely with its main customers to understand the speed and nature of industry change and to ensure that we react swiftly.

Shortlist Media Limited

Strategic report (continued)

for the year ended 31 March 2017

Principal risks and uncertainties (continued)

The company's principal financial instruments comprise cash and short-term deposits. An invoice discounting facility was repaid in full during the year and is no longer in use.

The company trades with only recognised, creditworthy third parties. It is the company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an on-going basis with the result that the company's exposure to bad debts is not significant.

On behalf of the board

E A N Watson

Director

3\11\17

Shortlist Media Limited

Directors' report

for the year ended 31 March 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The principal activity of the company continued to be that of publishing of journals and periodicals.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

T J Ewington	
A R F Hall	
P G Hilton	
K A Marsden	(Resigned 31 May 2016)
M J Soutar	
E A N Watson	
E Dolphin	(Appointed 30 September 2016)
S Robinson	(Appointed 1 February 2017)
O Wyatt	(Appointed 13 March 2017)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....
E A N Watson
Director
3\11\17

Shortlist Media Limited

Directors' responsibilities statement

for the year ended 31 March 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Shortlist Media Limited

Independent auditor's report

to the members of Shortlist Media Limited

We have audited the financial statements of Shortlist Media Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

G Black

Gavin Black (Senior Statutory Auditor)
for and on behalf of Henderson Loggie

3/11/17

Chartered Accountants
Statutory Auditor

The Vision Building
20 Greenmarket
Dundee
DD1 4QB

Shortlist Media Limited

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 £	2016 £
Turnover	3	**22,606,885**	24,617,798
Cost of sales		**(19,353,565)**	(17,873,163)
Gross profit		**3,253,320**	6,744,635
Distribution costs		**(3,522,285)**	(2,935,345)
Administrative expenses		**(4,334,537)**	(3,349,625)
Operating (loss)/profit	4	**(4,603,502)**	459,665
Interest payable and similar expenses	7	**(73,701)**	(878)
(Loss)/profit before taxation		**(4,677,203)**	458,787
Taxation	8	**856,412**	(148,468)
(Loss)/profit for the financial year	19	**(3,820,791)**	310,319

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Shortlist Media Limited

Balance sheet

as at 31 March 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	9		**159,470**		269,882
Tangible assets	10		**344,057**		301,195
Investments	11		**1**		1
			503,528		571,078
Current assets					
Debtors	13	**9,991,251**		11,426,658	
Cash at bank and in hand		**1,352,980**		183,131	
		11,344,231		11,609,789	
Creditors: amounts falling due within one year	14	**(6,862,551)**		(4,512,868)	
Net current assets			**4,481,680**		7,096,921
Total assets less current liabilities			**4,985,208**		7,667,999
Capital and reserves					
Called up share capital	17		**1,139,639**		1,639
Share premium account	18		**1,601,548**		1,601,548
Profit and loss reserves	19		**2,244,021**		6,064,812
Total equity			**4,985,208**		7,667,999

The financial statements were approved by the board of directors and authorised for issue on 3/11/17 and are signed on its behalf by:

....
E A N Watson
Director

Company Registration No. 06246263

Shortlist Media Limited

Statement of changes in equity

for the year ended 31 March 2017

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2015		1,540	1,601,548	5,754,493	7,357,581
Period ended 31 March 2016:					
Profit and total comprehensive income for the year		-	-	310,319	310,319
Issue of share capital	17	99	-	-	99
Balance at 31 March 2016		1,639	1,601,548	6,064,812	7,667,999
Period ended 31 March 2017:					
Profit and total comprehensive income for the year		-	-	**(3,820,791)**	**(3,820,791)**
Conversion of loan to shares	17	**1,138,000**	-	-	**1,138,000**
Balance at 31 March 2017		**1,139,639**	**1,601,548**	**2,244,021**	**4,985,208**

1 Accounting policies

Company information

Shortlist Media Limited is a company limited by shares incorporated in England and Wales. The registered office is Jubilee House, 92 Lincoln Road, Peterborough, PE1 2SN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

On the basis that the consolidated financial statements of the parent provide disclosures which are equivalent to FRS 102, the financial statements of Shortlist Media Limited have adopted the following disclosure exemptions:
- the requirement to present a statement of cash flows and related notes; and
- related party transaction disclosures for transactions entered into between one or two members of the group on the basis that all parties are wholly owned within the group.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Shortlist Media Limited is a wholly owned subsidiary of D.C. Thomson & Company Limited and the results of Shortlist Media Limited are included in the consolidated financial statements of D.C. Thomson & Company Limited.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover relates to display advertisements, sponsorship and advertorials. Turnover is recognised on release of each magazine. Turnover is the total amount receivable, excluding VAT and trade discounts.

1 Accounting policies (continued)

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	3-4 years straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	straight line over the term of the lease
Fixtures, fittings & equipment	3 years straight line
Computer equipment	3-4 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies (continued)

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1 Accounting policies (continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies (continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as a gain or loss in the profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Commission

Commission is payable to certain customers and is, broadly speaking, based on those customers achieving specified sales levels. Provision is made at the end of each financial year for commission payable based on available information. However, since agreements with customers are not always co-terminous with the financial year end, actual commission payable can change up to the completion of the period covered and so the provisioning process includes an element of estimation.

Bad debts/sales credit notes

In order to resolve a customer account and faciliate payment of debt, it is sometimes necessary to raise a sales credit note. It can take time to reach agreement in such cases which may result in a sales credit note being raised and recognised in a different financial period than the original sales invoice. There is an element of year end debtors which will be resolved post year end by way of sales credit notes. Provision has been made at the year end based on known historic data and assumes that the historic pattern of sales credit notes will continue unchanged.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover		
Principal activity	**22,606,885**	24,617,798

Turnover analysed by geographical market

	2017	2016
	£	£
United Kingdom	**22,606,885**	24,617,798

4 Operating (loss)/profit

	2017	2016
Operating (loss)/profit for the year is stated after charging/(crediting):	**£**	£
Exchange losses/(gains)	**(294,572)**	(339,167)
Fees payable to the company's auditors for the audit of the company's financial statements	**19,350**	22,081
Depreciation of owned tangible fixed assets	**191,443**	126,441
Amortisation of intangible assets	**149,652**	153,992
Operating lease charges	**535,956**	310,915

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017	2016
	Number	Number
Editorial	**52**	49
Advertising	**30**	25
Management	**26**	21
Digital	**56**	46
	164	141

5 Employees (continued)

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	**8,279,054**	7,494,954
Social security costs	**906,781**	824,565
Pension costs	**52,492**	109,619
	9,238,327	8,429,138

6 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	**1,037,265**	1,242,470
Company pension contributions to defined contribution schemes	**5,557**	731
	1,042,822	1,243,201

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	**248,000**	359,019

Directors are also key management personnel.

7 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and loans	**12**	878
Other interest on financial liabilities	**73,689**	-
	73,701	878

8 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	**(869,291)**	-
Adjustments in respect of prior periods	**1,681**	-
Total current tax	**(867,610)**	-
Deferred tax		
Origination and reversal of timing differences	**2,654**	123,182
Changes in tax rates	**49,028**	-
Adjustment in respect of prior periods	**(40,484)**	25,286
Total deferred tax	**11,198**	148,468
Total tax charge	**(856,412)**	148,468

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
(Loss)/profit before taxation	**(4,677,203)**	458,787
Expected tax charge based on the standard rate of corporation tax in the UK of 20% (2016: 20%)	**(935,441)**	91,757
Tax effect of expenses that are not deductible in determining taxable profit	**69,273**	31,425
Adjustments in respect of prior years	**1,681**	-
Effect of change in corporation tax rate	**48,559**	-
Deferred tax adjustments in respect of prior years	**(40,484)**	25,286
Tax expense for the year	**(856,412)**	148,468

9 Intangible fixed assets

	Development costs £
Cost	
At 1 April 2016	**781,780**
Additions - internally developed	**39,240**
Disposals	**(162,149)**
At 31 March 2017	**658,871**
Amortisation and impairment	
At 1 April 2016	**511,898**
Amortisation charged for the year	**149,652**
Disposals	**(162,149)**
At 31 March 2017	**499,401**
Carrying amount	
At 31 March 2017	**159,470**
At 31 March 2016	269,882

10 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2016	158,753	153,741	547,505	859,999
Additions	30,004	37,138	167,163	234,305
Disposals	(98,550)	(27,053)	(95,513)	(221,116)
At 31 March 2017	90,207	163,826	619,155	873,188
Depreciation and impairment				
At 1 April 2016	100,828	78,942	379,034	558,804
Depreciation charged in the year	27,065	37,927	126,451	191,443
Eliminated in respect of disposals	(98,550)	(27,053)	(95,513)	(221,116)
At 31 March 2017	29,343	89,816	409,972	529,131
Carrying amount				
At 31 March 2017	60,864	74,010	209,183	344,057
At 31 March 2016	57,925	74,799	168,471	301,195

11 Fixed asset investments

	2017	2016
	£	£
Unlisted investments	1	1

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 April 2016 & 31 March 2017	1
Carrying amount	
At 31 March 2017	1
At 31 March 2016	1

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held
Urban Media Europe Limited	UK	Non-trading	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Urban Media Europe Limited	**102,742**	**103,061**

13 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	**3,038,035**	5,626,016
Corporation tax recoverable	**1,038,760**	-
Amounts due from subsidiary undertakings	**4,895,493**	4,073,195
Other debtors	**94,408**	650,914
Prepayments and accrued income	**609,596**	750,376
	9,676,292	11,100,501
Deferred tax asset (note 15)	**314,959**	326,157
	9,991,251	11,426,658

There are no fixed repayment terms for amounts due from subsidiary undertakings.

14 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**813,775**	1,016,916
Amounts due to group undertakings	**4,015,565**	1,138,000
Other taxation and social security	**329,178**	494,246
Other creditors	**12,558**	11,414
Accruals and deferred income	**1,691,475**	1,852,292
	6,862,551	4,512,868

There are no fixed repayment terms for amounts due to group undertakings.

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	2017	2016
Balances:	**£**	£
ACAs	**82,905**	52,134
Tax losses	**199,251**	274,023
Other timing differences	**32,803**	-
	314,959	326,157

	2017
Movements in the year:	**£**
Liability/(Asset) at 1 April 2016	**(326,157)**
Charge to profit or loss	**11,198**
Liability/(Asset) at 31 March 2017	**(314,959)**

16 Retirement benefit schemes

Defined contribution schemes	**2017** **£**	2016 £
Charge to profit or loss in respect of defined contribution schemes	**52,492**	109,619

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2017 **£**	2016 £
Ordinary share capital		
Issued and fully paid		
113,954,000 Ordinary shares of 1p each	**1,139,540**	1,540
9,875 'E' Ordinary shares of 1p each	**99**	99
	1,139,639	1,639

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares (excluding E shares) in any dividend or capital distribution, except that on liquidation, surplus assets are to be distributed among the ordinary and E shares in the ratio 75:25 until the E shares have received their E share value. The ordinary shares are not redeemable at the option of the company or the holder.

On 30 March 2017, an intercompany loan balance of £1,138,000 was converted into the equivalent value of ordinary shares of 1p each.

18 Share premium account

Share premium accounts includes any premiums received on issued share capital. Any transactions costs associated with the issuing of shares are deducted from share premium.

19 Profit and loss reserves

Profit and loss reserves include all current and prior period retained profits and losses.

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	**624,395**	557,980
Between two and five years	**1,617,074**	2,225,325
	2,241,469	2,783,305

21 Parent company

The company is a wholly owned subsidiary of D.C. Thomson & Company Limited, a company incorporated in Great Britain and registered in Scotland.

There is no individual controlling party of D.C. Thomson & Company Limited.